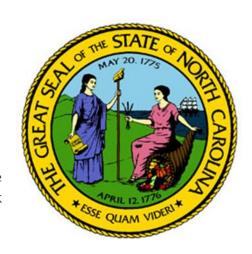
THE EXAMINER

Issue 3

FROM THE DIVISION

Happy Holidays! The past quarter was busy for the Division, and we were excited to see many of you at the North Carolina Executive Forum. Thank you to those that were able to attend - it was great seeing you in person!



IMPORTANT DATES

- December 23, 26, and 27, 2022 –
 NCCUD closed for Christmas
- January 2, 2023 NCCUD closed for New Year's Day
- January 16, 2023 NCCUD closed for Martin Luther King Day
- January 30, 2023 December 31, 2022, Call Report submission deadline

NEW EXAMINER

You may notice an unfamiliar face on your next examination. Travis Faircloth joined NCCUD as an examiner in September 2022. Mr. Faircloth comes to the Division with over a decade of financial institution regulatory experience.

CURRENT EXPECTED CREDIT LOSSES (CECL)

The implementation of the Financial Accounting
Standards Board's (FASB) release of Accounting
Standards Update (ASU) 2016-13, Financial
Instruments—Credit Losses (Topic 326), will impact the way financial institutions estimate and provide for credit losses. CECL becomes effective January 1, 2023, for

credit unions with assets of at least \$10 million. Be sure to reflect this change on your March 31, 2023, Call Reports.

DIVIDEND APPROVAL

In accordance with North Carolina General Statutes § 54-109.54, dividends cannot be declared or paid when the cost would exceed available earnings without prior written approval of the Administrator. If your credit union is in this position, please send your dividend request, along with the most recent financial statements, proposed rates, and delinquency report to Assistant Administrator Kristina Ray at kristina.ray@nccud.nc.gov. Requests must be received by the 20th of the month in which you are scheduled to post the dividends.

BOARD RESPONSIBILITIES FOR FIDELITY BOND AND INSURANCE COVERAGES

The board of directors of each credit union is required to do the following:

- Review annually fidelity, faithful performance, and other insurance coverages to ensure adequacy in relation to potential risks and minimum coverage requirements
- > Review all applications for purchase, renewal, and/or change (increase/decrease) of coverages
- > Pass a resolution approving the purchase, renewal, and/or change of coverages and document in the board minutes
- > Delegate a non-employee member of the board to sign the agreement and attachments for the purchase, renewal, and/or change of coverages
- > Rotate the delegated non-employee member of the board so that no director is a signatory on consecutive purchase, renewal, and/or change agreements for the same policies